

# **A PROPOSAL FOR FUTURE DEVELOPMENT IN DISTRICT 8**

## **Presented to the EEHVS Task Force**

**August 19, 2006**

### **Introduction**

Further development of lands within San Jose Council District 8 (referred to as the Evergreen-East Hills Project) presents unusual opportunities and critical decisions for the residents of this area and the City of San Jose. The expected provision of improvements to the Highway 101 freeway improvements to Capitol Expressway and city streets traffic infrastructure, the creation and expansion of community parks and recreational facilities, and the further addition of affordable housing through developer funding is an unusual opportunity in these times of greatly reduced funding from traditional Federal, State and local government sources.

It is widely recognized that any further development within District 8 will make worse already existing quality of life issues experienced by our residents. In addition, any proposed development of sites within the district will create conflicts with existing San Jose City policies on traffic levels of service and industrially-zoned land conversion to housing. We believe this proposal as presented is a viable and verifiable alternative to existing proposals requiring additional development. This plan is designed to provide all needed traffic infrastructure improvement as well as the requested community amenities, but with fewer housing units.

### **Background**

- The existing Evergreen Development Policy (EDP) requirements for traffic Levels of Service (LOS) have already violated at several intersections by past and current development, and are at LOS E & F at several locations. Additional development cannot take place unless traffic conditions are improved or the EDP is changed.
- Highway 101 improvements needed for area freeway access are unlikely to be funded by the State or other sources in the near future.
- The jobs/housing imbalance in San Jose is among the worse in Silicon Valley, and Evergreen is the largest bedroom community for San Jose.
- There are 301 additional housing allocations on EDP lands that are yet to be developed above and beyond the 217 allocations on the Arcadia site. Additional projects have been considered to add additional allocations.
- Schools (elementary, middle, high schools) within the Evergreen area are currently overcrowded, understaffed, and under-funded.
- District 8 does not currently accommodate its fair share of the City's affordable housing.
- Current development proposals calling for 5700 housing units represents a gross sales value of \$3.2 Billion which is 6.5 times the 2006-2007 Capital Improvement Program budget for the City of San Jose.

### **Assumptions**

The following assumptions have been made in this proposal:

- No additional State funding has been made available for Highway 101 or other traffic infrastructure improvements. If funding becomes available, then any project-generated funds will be collected and used solely for the project area benefit.
- No development on the Arcadia site can occur until light rail or alternative transit "breaks ground" on a Capitol Expressway/Nieman Station. Such triggers will be defined in the corresponding EDP.
- An overall 18% development of affordable residential units, with the Arcadia site providing at least 20% and the Evergreen College site providing at least 40% of the total affordable count.
- All traffic infrastructure improvements and amenities are funded 100% by development unit sales, not a buyer funded CFD.
- If a buyer funded Community Facilities District (CFD) funding is adopted, the total number of units developed will be reduced proportionally.
- The Pleasant Hill Golf Course site will have a maximum of 20% affordable housing units, preferably senior housing.

**NOTE: It is understood that upon validation of our assumptions and receipt of answers to additional outstanding questions, recommendations may change.**

## Positions on Development Elements

Upon extended research, we have accumulated strong evidence that for sale residential unit prices should reflect an absolute minimum of \$390 per square foot of living space. Given this data, we have concluded that a full funding of \$250 million in amenities can be accomplished with no more than 4100 dwelling units and 300,000 square feet of commercial development.

### Number of housing units and sample mix:

	Arcadia	Berg/IDS	Legacy*	Pleasant Hills Golf Course	Evergreen Valley College	No. Units
Large Lot Conventional	0	475	0	175	0	650
Small Lot Conventional	0	150	0	100	0	250
Small Lot AL	0	125	0	75	0	200
Town Home	725	75	0	150	125	1075
Multi-Family	700	0	0	0	100	800
Affordable/Work	375	75	0	100	175	725
District 8 Pool	--	--	--	--	--	400
Total units	1800	900	0	600	400	4100
Gross acres	81	200	120	114	27	542
Gross DU/acre	22.22	4.50	0	5.26	14.81	(8.77)

\* 120 acres retained for Campus Industrial, K-8, park and potential HS site

Note 1: All housing and commercial development will be compatible with adjoining and existing housing in terms of unit density, architectural style, and building height

Note 2: Distribution of affordable units subject to change as long as ~18% assured for total development

### Total professional, commercial/retail space and sample allocation:

Site	Area (sq ft)	Notes
Berg/IDS	0	
Legacy	0	Retain 100% as Campus Industrial, Schools & Parks
Arcadia	100,000	
Pleasant Hills Golf Course	50,000	Light commercial, small office & business; medical/dental
Evergreen College	100,000	
District 8 Pool	50,000	Distributed small office & business; medical/dental
Total	300,000	

### Traffic

- Reduce impacts to assure LOS D or better but no worse than existing EDP requirements.
- Street and parking design will accommodate a free flow of traffic with adequate parking to accommodate additional unit occupancy growth.

### Industrial zoned land retention

- Retain 120 acres (100%) of Legacy property for industrial development and school site land and parks.
- Allow part of these acres to be used or banked for a future High School site, and for athletic fields.

### **Funding for traffic improvements and amenities**

- All funding to be provided through developer contributions from gross sales. Community Facilities District funding mechanisms will not be used.

### **School Recommendations**

- 50 suitable acres of the 120 acres of Legacy property be retained for new high school site.
- All necessary schools for K – 12 will be provided in the districts they are needed.
- Additional High School impact fees will be levied on developments, or passed on to buyers to contribute to school building costs.
- K – 8 Schools and Parks/Community centers will maximize joint-use proposals to the greatest extent possible to maximize community use, return on amenity dollar investment, and reduce ongoing maintenance and operations costs.

### **Affordable Housing**

- Require at least 18% of total development be affordable housing; not necessarily equally distributed.
- Arcadia site will provide at least 20% affordable housing units, consistent with City redevelopment policy.
- Recommend that Evergreen College site provide at least 40% affordable housing units
- Affordable house is also accommodated to a lesser extent on the other opportunity sites.

### **Amenities**

- To be funded by the proposed developments, based on the original Evergreen Visioning Project Amenities document, and as prioritized by the EEHVS Task Force.

### **Other Important Points of Consideration:**

1. All developers and contractors agree to provide a living wage to all their workers.
2. To the extent possible, the local job market will have first priority to work on EEHVS projects.
3. All development will be planned following current development design guidelines without variance.
4. Follow the Parkland Dedication Ordinance in affect at the time of development plan approval.
5. Follow the City of San Jose Riparian Corridor Policy without variance.
6. All interfaces with existing adjacent neighborhoods will be at their current density and compatible architecture.
7. Building heights will be limited 60 feet, and only for multifamily residential development. All other development will be limited by the current design guidelines.
8. PHGC – Rezoning should show 60% residential development and 40% open space, schools, park, firehouse, etc... as follows:
  - 1 – 2 acre Firehouse
  - 10 acres elementary school site
  - 3 acres light commercial / professional office space
  - Amenities

### **Critical Questions Left to be Answered:**

1. How much would the developer contribution normally be for schools, parks, traffic impacts, etc - given this extent of development?
2. What provisions can be made to receive reimbursement if/when the State allocates infrastructure improvement funds for Highway 101 and other traffic projects?
3. What is the final amenities list, and in what priority?
4. How much will each amenity cost to deliver?
5. Does the new State budget have funds for Hwy101 improvements?
6. Roughly, how much does each unit/type/location contribute to the amenities \$\$ pool?
7. Where and which schools have to be built to accommodate the next 15 yrs growth?

**EVERGREEN EAST HILLS VISION STRATEGY**  
**Vision and Expected Outcomes**  
**(Approved by City Council 6-21-05)**

1. Use the Guiding Principles (dated November 2003) as a basis for a vision of improved quality of life and enhanced livability by fostering vibrant commercial/business, mixed use, and residential areas linked by various transportation modes and community amenities. These Principles are incorporated by reference in their entirety in this Key Outcomes document.
2. Maintain the delicate balance of the “three legged stool” between new development, transportation improvements, and community amenities.
3. Create a financially feasible plan with the appropriate use of Community Facilities District(s), developer contributions, and other mechanisms for the completion of transportation improvements and community amenities.
4. Explore the creation of affordable and mixed income housing to meet the needs of all household types by meeting the inclusionary housing requirements on sites in Redevelopment Project Areas and through other mechanisms, such as an inclusionary requirement on lands being converted from industrial uses.
5. Create opportunities for both home-ownership and rental units throughout the study area, and ensure a balance of ownership and rental housing on the Arcadia site.
6. Explore opportunities to increase workplace density on existing industrially zoned land to create mixed-use opportunities, utilizing information provided in the “Trade-Off Analysis.”
7. Capture new retail and commercial opportunities while strengthening all existing retail including the commercial center at the Evergreen Village.
8. To the fullest extent possible, work with affected school districts to ensure adequate school capacity without sacrificing a high quality education environment.
9. Establish a ten-year supply, or “bank”, of residential unit allocations beyond the four opportunity sites to facilitate infill and reuse development in the study area.
10. Protect, enhance, and/or restore natural resources, particularly streams, watersheds, and trees, as part of all private and public development (including parks, trails, etc.).